

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**RECEIVED**

APR 19 2004

**AZ CORPORATION COMMISSION**  
**DIRECTOR OF UTILITIES**

**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**

W-02033A  
Valley Pioneer's Water Company, Inc.  
3482 North McNeal Road  
Golden Valley AZ 86413

**ANNUAL REPORT**

**FOR YEAR ENDING**

<b>12</b>	<b>31</b>	<b>2003</b>
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FOR COMMISSION USE

<b>Ann04</b>	<b>03</b>
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## COMPANY INFORMATION

**Company Name (Business Name)** Valley Pioneers Water Company, Inc.

**Mailing Address** 3482 N. Mc Neal Road

(Street)

Golden Valley

(City)

AZ

(State)

86413

(Zip)

928-565-4663

Telephone No. (Include Area Code)

928-565-2971

Fax No. (Include Area Code)

Pager Cell No. (Include Area Code)

Email Address

**Local Office Mailing Address** 3482 N. Mc Neal Road

(Street)

Golden Valley

(City)

AZ

(State)

86413

(Zip)

928-565-4663

Local Office Telephone No. (Include Area Code)

928-565-2971

Fax No. (Include Area Code)

Pager Cell No. (Include Area Code)

Email Address

## MANAGEMENT INFORMATION

**Management Contact:** John Clayton

(Name)

**Manager**

(Title)

4260 Shipp Drive

(Street)

Golden Valley

(City)

AZ

(State)

86413

(Zip)

928-565-4374

Telephone No. (Include Area Code)

928-565-2971

Fax No. (Include Area Code)

Pager Cell No. (Include Area Code)

Email Address

**On Site Manager:** John Clayton

(Name)

3482 N. Mc Neal Road

(Street)

Golden Valley

(City)

AZ

(State)

86413

(Zip)

928-565-4374

Telephone No. (Include Area Code)

928-565-2971

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address

**Statutory Agent:** Jeffrey A. Goldberg

(Name)

730 East Beale

(Street)

Kingman,

(City)

AZ

(State)

86401

(Zip)

928-753-6115

Telephone No. (Include Area Code)

928-753-7991

Fax No. (Include Area Code)

Pager Cell No. (Include Area Code)

**Attorney:** Jeffrey A. Goldberg

(Name)

730 East Beale

(Street)

Kingman

(City)

AZ

(State)

86401

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager Cell No. (Include Area Code)

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co op (A)

☐ Receivership (R)

☐ Limited Liability Company

☒ Other (Describe) NONPROFIT CORPORATION

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☒ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME

Valley Pioneers Water Company, Inc.

**UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises	0	0	0
303	Land and Land Rights	98,021	0	98,021
304	Structures and Improvements	197,677	74,265	123,412
307	Wells and Springs	1,710,206	518,998	1,191,208
311	Pumping Equipment	202,631	192,880	9,751
320	Water Treatment Equipment	3,741	1,964	1,777
330	Distribution Reservoirs and Standpipes	390,982	163,449	227,533
331	Transmission and Distribution Mains	1,780,413	359,766	1,420,647
333	Services	273,107	32,841	240,266
334	Meters and Meter Installations	153,482	34,772	118,710
335	Hydrants	3,163	119	3,044
336	Backflow Prevention Devices	0	0	0
339	Other Plant and Misc. Equipment	0	0	0
340	Office Furniture and Equipment	41,411	30,973	10,438
341	Transportation Equipment	72,683	46,770	25,913
343	Tools, Shop and Garage Equipment	12,303	5,698	6,605
344	Laboratory Equipment			
345	Power Operated Equipment	37,828	30,578	7,250
346	Communication Equipment			
347	Miscellaneous Equipment	2,435	233	2,202
348	Other Tangible Plant	0	0	0
	<b>TOTALS</b>	<b>4,980,083</b>	<b>1,493,306</b>	<b>3,486,777</b>

This amount goes on the Balance Sheet Acct. No. 108



COMPANY NAME

Valley Pioneers Water Company, Inc.

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises	0	0.00	0
303	Land and Land Rights	98,021	0.00	0
304	Structures and Improvements	197,677	0.02	4,738
307	Wells and Springs	1,710,206	0.02	36,826
311	Pumping Equipment	202,631	0.01	1,481
320	Water Treatment Equipment	3,741	0.03	94
330	Distribution Reservoirs and Standpipes	390,982	0.02	8,688
331	Transmission and Distribution Mains	1,780,413	0.02	35,301
333	Services	273,107	0.03	8,893
334	Meters and Meter Installations	153,482	0.02	3,789
335	Hydrants	3,163	0.02	57
336	Backflow Prevention Devices	0	0.00	0
339	Other Plant and Misc. Equipment	0	0.00	0
340	Office Furniture and Equipment	41,411	0.07	2,942
341	Transportation Equipment	72,683	0.11	8,261
343	Tools, Shop and Garage Equipment	12,303	0.05	615
344	Laboratory Equipment		0.00	0
345	Power Operated Equipment	37,828	0.07	2,522
346	Communication Equipment		0.00	0
347	Miscellaneous Equipment	2,435	0.05	121
348	Other Tangible Plant	0	0.00	0
	<b>TOTALS</b>	4,980,083		114,328

This amount goes on Comparative Statement of Income and Expense  
Acct. No. 403.

**BALANCE SHEET**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
<b>ASSETS</b>			
<b>CURRENT AND ACCRUED ASSETS</b>			
131	Cash	\$ 65,843	\$ 203,836
134	Working Funds	138,473	162,858
135	Temporary Cash Investments	45,000	45,000
141	Customer Accounts Receivable	79,007	66,770
146	Notes/Receivables from Associated Companies	0	0
151	Plant Material and Supplies	37,047	14,393
162	Prepayments	0	0
174	Miscellaneous Current and Accrued Assets	602	3,617
<b>TOTAL CURRENT AND ACCRUED ASSETS</b>		\$ 365,972	\$ 496,474
<b>FIXED ASSETS</b>			
101	Utility Plant in Service	\$ 4,101,843	\$ 4,980,083
103	Property Held for Future Use	0	
105	Construction Work in Progress	0	9,679
108	Accumulated Depreciation – Utility Plant	(1,378,980)	(1,493,306)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
<b>TOTAL FIXED ASSETS</b>		\$ 2,722,863	\$ 3,496,456
<b>TOTAL ASSETS</b>		\$ 3,088,835	\$ 3,992,930

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

**BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
<b>LIABILITIES</b>			
<b>CURRENT LIABILITES</b>			
231	Accounts Payable	\$ 6,375	\$ 10,319
232	Notes Payable (Current Portion)	40,093	48,188
234	Notes/Accounts Payable to Associated Companies	0	0
235	Customer Deposits	23,485	18,170
236	Accrued Taxes	48,471	41,200
237	Accrued Interest	1,488	0
241	Miscellaneous Current and Accrued Liabilities	34,930	0
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 154,842	\$ 117,877
<b>LONG-TERM DEBT (Over 12 Months)</b>			
224	Long-Term Notes and Bonds	\$ 543,084	\$ 1,224,420
<b>DEFERRED CREDITS</b>			
251	Unamortized Premium on Debt	\$ 0	\$ 0
252	Advances in Aid of Construction	811,417	617,428
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	636,784	818,962
272	Less: Amortization of Contributions	(269,189)	(313,352)
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$ 1,179,012	\$ 1,123,038
	<b>TOTAL LIABILITIES</b>	\$ 1,876,938	\$ 2,465,335
<b>CAPITAL ACCOUNTS</b>			
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	1,211,897	1,527,595
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$ 1,211,897	\$ 1,527,595
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 3,088,835	\$ 3,992,930

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 858,822	\$ 819,168
460	Unmetered Water Revenue	48,181	33,199
474	Other Water Revenues	38,151	36,514
	<b>TOTAL REVENUES</b>	\$ 945,154	\$ 888,881
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$ 210,578	\$ 199,065
610	Purchased Water	0	0
615	Purchased Power	119,263	134,144
618	Chemicals	1,157	931
620	Repairs and Maintenance	80,572	98,914
621	Office Supplies and Expense	9,613	44,345
630	Outside Services	32,995	37,123
635	Water Testing	12,114	5,506
641	Rents	772	3,275
650	Transportation Expenses	38,883	6,821
657	Insurance -- General Liability	10,976	12,496
659	Insurance - Health and Life	60,253	60,914
666	Regulatory Commission Expense -- Rate Case	0	1,890
675	Miscellaneous Expense	3,293	9,394
403	Depreciation Expense	106,789	114,328
408	Taxes Other Than Income	18,653	19,049
408.11	Property Taxes	38,699	37,796
409	Income Tax	0	0
	<b>TOTAL OPERATING EXPENSES</b>	\$ 744,610	\$ 785,991
	<b>OPERATING INCOME/(LOSS)</b>	\$ 200,544	\$ 102,890
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$ 2,702	\$ 3,344
421	Non-Utility Income	0	49,830
426	Miscellaneous Non-Utility Expenses	0	0
427	Interest Expense	(31,823)	(25,443)
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	\$ (29,121)	\$ 27,731
	<b>NET INCOME/(LOSS)</b>	\$ 171,423	\$ 130,621



**SUPPLEMENTAL FINANCIAL DATA****Long-Term Debt**

	<b>LOAN #1</b>	<b>LOAN #2</b>	<b>LOAN #3</b>	<b>LOAN #4</b>
Date Issued	12/27/67	08/26/69	04/16/75	04/22/86
Source of Loan	Rural Development RD-91-01	Rural Development RD-91-03	Rural Development RD-91-04	Rural Development RD-91-05
ACC Decision No.				
Reason for Loan	System improvements	System improvements	System improvements	System improvements
Dollar Amount Issued	\$ 105,780	\$ 15,000	\$ 50,000	\$ 210,000
Amount Outstanding	\$ 4,528	\$ 0	\$ 21,016	\$ 33,022
Date of Maturity	12/27/04	02/28/03	10/31/02	12/31/05
Interest Rate	5.00%	5.00%	5.00%	6.13%
Current Year Interest	\$ 429	\$ 6	\$ 1,179	\$ 2,766
Current Year Principle	\$ 6,445	\$ 219	\$ 2,032	\$ 17,007

Meter Deposit Balance at Test Year End	\$ 69,621
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Meter Deposits Refunded During the Test Year	\$ 14,572
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**SUPPLEMENTAL FINANCIAL DATA****Long-Term Debt**

	<b>LOAN # 5</b>	<b>LOAN # 6</b>	<b>LOAN # 7</b>	<b>LOAN # 4</b>
Date Issued	05/02/91	05/03/99	01/25/02	
Source of Loan	Rural Development RD-91-06	Stockmen's Bank	WIFA	
ACC Decision No.				
Reason for Loan	System improvements	Well replacement	System improvements	
Dollar Amount Issued	\$ 250,000	\$ 180,000	\$ 120,000	\$
Amount Outstanding	\$ 208,928	\$ 161,316	\$ 114,338	\$
Date of Maturity	04/20/28	05/03/04	01/01/22	
Interest Rate	5.88%	Variable	4.72%	
Current Year Interest	\$ 13,233	\$ 11,305	\$ 2,005	\$
Current Year Principle	\$ 4,382	\$ 10,279	\$ 444	\$

Meter Deposit Balance at Test Year End

\$

Meter Deposits Refunded During the Test Year

\$

## WATER COMPANY PLANT DESCRIPTION

### WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-610757	60	120		12	3	
55-610756	60	120		12	3	
55-573000	100	170		12	3	
55-532211	75	84		16	3	
55-623082	350	1,000	1,200	20	6	
55-623083	350	1,000	1,200	20	6	

- Arizona Department of Water Resources Identification Number

### OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
None		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
7 1/2	14	12	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
500,000	2	n/a	
250,000	1		
125,000	2		
17,000 - 85,000	6		

## WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS		
Size (in inches)	Material	Length (in feet)
2	PVC	27,984
3	PVC	4,680
4	PVC	183,801
5		
6	PVC	143,400
8	PVC	22,495
10		
12		10,660
	AC	31,680

CUSTOMER METERS	
Size (in inches)	Quantity
5/8 X 3/4	1,714
3/4	0
1	7
1 1/2	2
2	12
Comp. 3	1
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category.

### TREATMENT EQUIPMENT:

Chlorination equipment at each PDE x 4

Chlorination equipment at each booster station x 1

### STRUCTURES:

1-7000 square foot warehouse, 2-500 sq ft warehouses

1-750 Sq Ft office building

5-120 Sq Ft Booster station buildings

### OTHER:

4 wells in fenced compounds; 2-500,000 gal storage tanks; 2-125,000 Gal storage tanks; 1-250,000 gal storage tank

1-85,000 gal storage tank; 1-35,000 gal storage tank; 4-17,000 gal storage tanks;

COMPANY NAME: VALLEY PIONEERS WATER COMPANY, INC.

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2003**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	1,682	10,507,575	12,071
FEBRUARY	1,694	8,923,310	10,506
MARCH	1,700	8,183,860	8,510
APRIL	1,710	14,009,530	14,774
MAY	1,701	11,738,260	12,889
JUNE	1,717	15,195,880	16,971
JULY	1,730	20,215,950	23,028
AUGUST	1,732	14,929,810	17,373
SEPTEMBER	1,724	12,916,690	15,194
OCTOBER	1,742	16,255,420	17,861
NOVEMBER	1,737	10,800,310	12,166
DECEMBER	1,737	9,389,355	10,176
TOTAL		N/A	171,519

Is the Water Utility located in an ADWR Active Management Area (AMA)?

( ) Yes ( ) No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

( ) Yes ( ) No

If yes, provide the GPCPD amount: \_\_\_\_\_

What is the level of arsenic for each well on your system. PDE 1 - 0.011 mg/l

(If more than one well, please list each separately)

PDE 2 - 0.015

PDE 3 & 4 - 0.0092

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2003 was: \$37,185.71

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_

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COMPANY NAME VALLEY PIONEERS WATER COMPANY, INC.

YEAR ENDING 12/31/2003

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported n/a  
Estimated or Actual Federal Tax Liability n/a

State Taxable Income Reported n/a  
Estimated or Actual State Tax Liability n/a

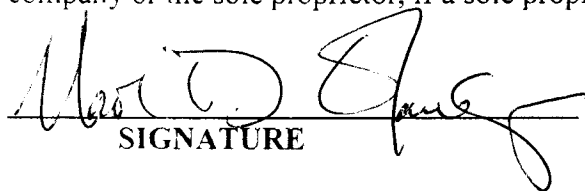
Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances 0  
Amount of Gross-Up Tax Collected n/a  
Total Grossed-Up Contributions/Advances n/a

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

  
SIGNATURE

4-13-04  
DATE

MARC GLAWSON  
PRINTED NAME

PRESIDENT  
TITLE

**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

**RECEIVED**

APR 19 2004

**VERIFICATION**

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
MOHAVE
NAME (OWNER OR OFFICIAL) TITLE
MARC GLAWSON, PRESIDENT
COMPANY NAME
VALLEY PIONEERS WATER COMPANY, INC.

**2 CORPORATION COMMISSION  
DIRECTOR OF UTILITIES**

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2003

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

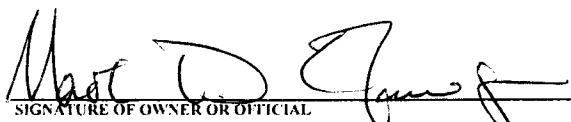
IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2003 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$888,881

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$52,573  
IN SALES TAXES BILLED, OR COLLECTED

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

  
SIGNATURE OF OWNER OR OFFICIAL  
928-565-4663  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

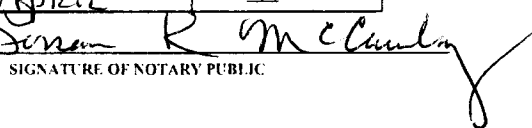
THIS

13th DAY OF  
Expires August 19, 2005

DAY OF

COUNTY NAME
MOHAVE
MONTH
APRIL
2004

(SEAL) Susan K McCauley  
Mohave County  
Notary Public State of Arizona

  
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES August 19, 2005



VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY

**RECEIVED**

APR 19 2004

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

(COUNTY NAME) MOHAVE	
NAME (OWNER OR OFFICIAL): MARC GLAWSON	TITLE PRESIDENT
COMPANY NAME VALLEY PIONEERS WATER COMPANY, INC.	

MONTH	DAY	YEAR
12	31	2003

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

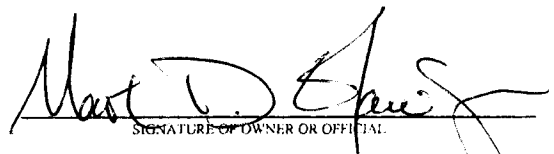
**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2003 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES	
\$	888,881

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 52,573  
IN SALES TAXES BILLED, OR COLLECTED

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

  
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

13 <sup>th</sup>
------------------

DAY OF

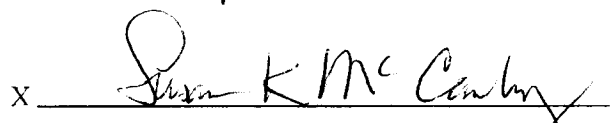
(SEAL)



Notary Public State of Arizona  
Mohave County  
Susan K McCauley  
Expires August 19, 2005

MY COMMISSION EXPIRES

NOTARY PUBLIC NAME Susan K McCauley	
COUNTY NAME MOHAVE	
MONTH April	20 04

X   
SIGNATURE OF NOTARY PUBLIC

**IMPORTANT-SEE REVERSE SIDE FOR COMPLETE EXPLANATION  
OF YOUR TAX NOTICE AND PAYMENT INSTRUCTIONS.**

PARCEL IDENTIFICATION 0430 ROLL NUMBER 0235812 TAX AREA CODE 00430  
 JAN. 1, 2003 DEC. 31, 2003  
 MOHAVE COUNTY, ARIZONA  
 TAX YEAR: 2003

TOTAL VALUE OF OPERATING PROPERTY  
 05-06-042 4,823 306-02-135  
 ,199 306-04-177-B 5,999 306-06-09  
 8,874 306-41-014-E 5,183

VALLEY PIONEERS WATER CO  
 MARC GLAWSON/PRES  
 3155 N MCNEAL RD 86413  
 GOLDEN VALLEY

17,599.26+  
 18,189.76+  
 1,388.13+  
 5.04+  
 3.52+  
 37,185.71\*

005

PRIMARY PROPERTY TAX CALCULATION (1)		
ITEM	LIMITED VALUE	ASSESSED VALUE
LAND, BLDGS, ETC.	144096	36025
PERSONAL PROPERTY	1143904	285976
TOTALS	1288000	322001
EXEMPTION	0	0
AD VALOREM TAX	0	22815.71
LAND, BLDGS, ETC.	0	0
PERSONAL PROPERTY	0	0
TOTALS	0	0
SECONDARY PROPERTY TAX CALCULATION (2)		
ITEM	FULL CASH VALUE	ASSESSED VALUE
LAND, BLDGS, ETC.	144096	36025
PERSONAL PROPERTY	1143904	285976
TOTALS	1288000	322001
EXEMPTION	0	0
AD VALOREM TAX	0	13563.80
LAND, BLDGS, ETC.	0	0
PERSONAL PROPERTY	0	0
TOTALS	0	0

00413

TAX JURISDICTION	2002 TAX	2003 TAX	CURRENT RATE/100
MOHAVE COUNTY	5477.50	5635.02	1.75000
School Equalization	1530.26	1518.88	.47170
KINGMAN ELEM SD #4	.00000	.00000	.00000
MO UN HG SCH DIST #30	.00000	.00000	.00000
KINGMAN UNIFIED SD #20	.00000	.00000	.00000
KINGMAN UNIFIED SD #20	.00000	.00000	.00000
MOHAVE COMMUNITY COLLEGE	.00000	.00000	.00000
GOLDEN VAL FD	.00000	.00000	.00000
FIRE DIST ASSIST FUND	12679.00	12611.50	3.91660
MO CO LIBRARY DIST	2941.58	3050.32	.94730
MO CO FLOOD CONTROL DIST	8077.28	8550.10	2.65530
MO CO TV CID	313.00	322.00	.10000
SECONDARY SD #4	1012.86	1042.00	.32360
MCUHS SECONDARY SD #30	177.58	180.14	.50000
SD #20 CLASS A BONDS	271.36	279.16	.08670
	.00	.00	.00000
	.00	.00	.00000
	2718.10	3190.40	.99080

DELINQUENT DATES	
VALUATION DATE	
ASSESSMENT DATE	

THIS IS THE ONLY NOTICE YOU WILL RECEIVE.

MOHAVE COUNTY, ARIZONA  
TAX YEAR: 2002

DEC. 31, 2002

IMPORTANT - SEE REVERSE SIDE FOR COMPLETE EXPLANATION  
OF YOUR TAX NOTICE AND PAYMENT INSTRUCTIONS

PARCEL IDENTIFICATION 94630430  
ROLL NUMBER 0233784  
TAX AREA CODE 00430

SITE ADDRESS

TOTAL VALUE OF OPERATING PROPERTY  
305-06-042 4,823 306-02-135  
8,199 306-04-177-B 5,999 306-06-09  
2 8,874 306-41-014-E 5,183

VALLEY PIONEERS WATER CO  
MARC GLAWSON/PRES  
3155 N MCNEAL RD  
GOLDEN VALLEY AZ 86413

00191 00269

		TAX DISTRIBUTION (4)		TAX SUMMARY (3)	
TAX CODE	TAX JURISDICTION	2002 TAX	2001 TAX	CURRENT RATE/100	
02000	MOHAVE COUNTY	5477.50	6349.44	1.75000	PRIMARY
02001	School Equalization	1530.26	1804.70	.48890	AD VALOREM TAX
05004	KINGMAN ELEM SD #4	.00	.00	.00000	LESS STATE AID
06100	MO UN HG SCH DIST #30	.00	.00	.00000	TO EDUCATION
07004	KINGMAN UNIFIED SD #20	.00	.00	.00000	NET PRIMARY
07020	KINGMAN UNIFIED SD #20	.00	.00	.00000	AD VALOREM TAX
08150	MOHAVE COMMUNITY COLLEGE	12679.00	15375.80	4.05080	SECONDARY
11210	GOLDEN VAL FD	2941.58	3409.84	.93980	AD VALOREM
11900	FIRE DIST ASSIST FUND	8077.28	9070.62	2.58060	SPECIAL
14900	MO CO LIBRARY DIST	313.00	362.82	.10000	DISTRICT TAX
15000	MO CO FLOOD CONTROL DIST	1012.86	1174.10	.32360	SPECIAL
28000	MO CO TV CID	177.58	199.90	.50000	ASSESSMENTS
55004	SECONDARY SD #4	271.36	314.56	.08670	TOTAL TAX DUE
56100	MCUHS SECONDARY SD #30	.00	2418.96	.00000	
57020	SD #20 CLASS A BONDS	2718.10	1717.98	.86840	HALF TAX
1st half - Ckt 11971 Sent 9-25-02 Amount 17,519.26 ✓					
2nd half - Ckt 12288 Sent 3-4-03 Amount 17,519.26					
TOTALS		35,198.52	42,198.74		
					DELINQUENT DATES
					VALUATION DATE
					ASSESSMENT DATE
					THIS IS THE ONLY NOTICE YOU WILL RECEIVE. NO RECEIPT WILL BE SENT UNLESS REQUESTED.

PRIMARY PROPERTY TAX CALCULATION (1)		SECONDARY PROPERTY TAX CALCULATION (2)	
ITEM	LIMITED VALUE	ASSMT. %	ASSESSED VALUE
LAND, BLDGS, ETC.	142047	25.0	35512
PERSONAL PROPERTY	1109953		277488
TOTALS	1252000		313000
ITEM	EXEMPTION	TAX RATE	AD VALOREM TAX
LAND, BLDGS, ETC.	0	7.2295	22628.34
PERSONAL PROPERTY	0		
TOTALS			22628.34
FULL CASH VALUE		ASSMT. %	ASSESSED VALUE
LAND, BLDGS, ETC.	142047	25.0	35512
PERSONAL PROPERTY	1109953		277488
TOTALS	1252000		313000
ITEM	EXEMPTION	TAX RATE	AD VALOREM TAX
LAND, BLDGS, ETC.	0	4.4598	12570.18
PERSONAL PROPERTY	0		
TOTALS			12570.18



**First American Title Insurance Company**  
**National Commercial Services**  
2398 E Camelback Road, Suite 1060 • Phoenix, AZ 85016

**Estimated Settlement Statement**

**Property:**

**File No:** NCS-24825-PHX6

**Officer:** Patricia Keil/PAK

**New Loan No:** Valley Pioneers / #162041

**Settlement Date:**

**Disbursement Date:**

**Print Date:** 10/17/2003, 5:36 PM

**Buyer:** Valley Pioneers Water Co., Inc.

**Address:** Attn: John Clayton, 3155 N. McNeal Road, Golden Valley, AZ 85004

**Seller:** Phelps Dodge Bagdad, Inc.

**Address:** Attn: Don Stillwell, One North Central Ave., Phoenix, AZ 85004

Buyer Charge	Buyer Credit	Charge Description	Seller Charge	Seller Credit
✓ 650,000.00		<b>Consideration:</b> Total Consideration		650,000.00
		<b>Deposits in Escrow:</b> Receipt No. 7761253 on 06/03/2003 by Valley Pioneers Water		
	10,000.00			
		<b>Prorations:</b> MOHAVE CO. TAX #991-904-34Y (306-25-001) 10/17/03 to 01/01/04 @\$666.70/yr		1,388.13
1,388.13				
		MOHAVE CO. TAX 991-904-30y (215-16-001) 10/17/03 to 01/01/04 @\$24.20/yr		5.04
5.04				
		MOHAVE CO. TAX 991-904-00Y (339-23-002) 10/17/03 to 01/01/04 @\$16.90/yr		3.52
3.52				
		<b>New Loan(s):</b> Lender: UNITED STATES OF AMERICA (USDA-RURALDEV) 1st draw of \$100,00 grant & \$1,198,000 loan to UNITED STATES OF AMERICA (USDA-RURALDEV)		
	720,000.00			
		<b>Title/Escrow Charges to:</b> Policy-Ext ALTA 92 Owner \$650,000 (35K Std by S) to First American Title Insurance Company National Commercial Services	223.30	
1,806.35				
		Policy-Ext ALTA 92 Lender's \$1,198,000 to First American Title Insurance Company National Commercial Services		
986.16				
		Overnight Delivery Service to First American Title Insurance Company National Commercial Services	20.00	
60.00				
		Messenger Service to First American Title Insurance Company National Commercial Services	40.00	
		Closing-Escrow Fee (Inc from \$650K to loan amt) to First American Title Insurance Company National Commercial Services		
332.50				
		Closing-Escrow Fee (1/2 ea on \$650 Purch Price) to First American Title Insurance Company National Commercial Services	333.55	
333.55				
		Record Miscellaneous Items (Est.) to First American Title Insurance Company National Commercial Services	12.00	
92.00				